

No. 20368

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

SHAPIRO, BERNSTEIN & Co., INC.,

Appellant,

vs.

4636 S. VERMONT AVE. INC., a California
corporation, doing business as
REED'S MUSIC STORE,

Appellee.

APPELLANT'S REPLY BRIEF

O'MELVENY & MYERS

BENNETT W. PRIEST

HENRY C. THUMANN

433 So. Spring Street

Los Angeles, California 90013

Attorneys for Appellant

FEB 10 1967

FILED

APR 25 1966

WM. B. LUCK, CLERK

SUBJECT INDEX

	Page
The facts.....	1
Argument.....	5
I. An award of statutory "in lieu" damages is mandatory when the copyright owner cannot or does not prove actual damages.....	5
II. The trial court abused its powers in refusing to award minimum statutory damages to plaintiff.....	10
III. Defendant is in error in arguing that an award of statutory damages is an "abuse of discretion".....	13
IV. An award of statutory damages is not punishment of the infringer.....	16
V. An infringer's alleged innocence is immaterial to the matter of award of statutory damages.....	17
VI. The trial court erred in refusing an injunction and awarding attorneys' fees to the infringer.....	19
VII. Defendant has not distinguished plaintiff's authorities	21
VIII. Defendant is not entitled to additional attorneys' fees to cover the expenses of its brief or otherwise.....	26
Conclusion.....	26
Certificate of counsel	

Appendices :

Appendix A — <i>Westermann Co. v. Dispatch Printing Company</i> , 249 U.S. 100.....	App. p. 1
Appendix B — Cases on statutory minimum damages decided subsequent to the decision in <i>Woolworth v. Contemporary Arts</i>	App. p. 4
Appendix C — <i>Douglas v. Cunningham</i> , 294 U.S. 207.....	App. p. 5

TABLE OF AUTHORITIES CITED

Cases	Page
Advertisers Exchange v. Hinkley, 199 F.2d 313 (8th Cir. 1952) cert. denied 344 U.S. 921 (1953).....	2
Amsterdam Syndicate, Inc. v. Fuller, 154 F.2d 342 (8th Cir. 1946).....	7, 22
Brady v. Daly, 175 U.S. 148 (1899).....	17
Buck v. Bilkie, 63 F.2d 449 (9th Cir. 1933).....	10, 20, 21, 24
Burndy Engineering Co., Inc. v. Sheldon Service Corp., 127 F.2d 661 (2nd Cir. 1942).....	14
Chappell & Co., Inc. v. Palermo Cafe Co., Inc., 249 F.2d 77 (1st Cir. 1957).....	7, 9, 15, 22
Davilla v. Brunswick, Balke, Collender Co., 94 F.2d 567 (2nd Cir. 1938).....	13, 14
De Acosta v. Brown, 146 F.2d 408 (2nd Cir. 1944).....	18
Douglas v. Cunningham, 294 U.S. 207 (1935).....	6, 7, 16, 17, 25
F. W. Woolworth Co. v. Contemporary Arts, Inc., 344 U.S. 228 (1952).....	7, 8, 9, 13, 14, 15, 19, 21, 25
Harms, Inc. v. F. W. Woolworth Co., 163 F.Supp. 484 (S.D.Cal. 1958).....	15
Irving Berlin, Inc. v. Daigle, 31 F.2d 832 (5th Cir. 1929).....	7, 22
Jewell-LaSalle Realty Company v. Buck, 283 U.S. 202 (1931).....	6, 9, 24, 25
Johns & Johns Printing Co. v. Paull-Pioneer Music Corp., 102 F.2d 282 (8th Cir. 1939).....	18
Mailer v. R.K.O., 332 F.2d 747 (2nd Cir. 1964).....	20
Malsed v. Marshall Field & Company, 96 F.Supp. 372 (W.D.Wash. 1951).....	13, 14, 15
Markham v. A. E. Borden Co., Inc., 221 F.2d 586 (1st Cir. 1955).....	9, 15

	Page
Nikanov v. Simon & Schuster, Inc., 246 F.2d 501 (2nd Cir. 1957).....	14
Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc., 329 F.2d 194 (1964).....	15
Rose v. Bourne, 176 F.Supp. 605 (S.D. N.Y. 1959).....	20
Sammons v. Colonial Press, Inc., 126 F.2d 341 (1st Cir. 1942).....	13, 14, 15
Turner & Dahnken v. Crowley, 252 Fed. 749 (9th Cir. 1918).....	17
Universal Pictures v. Harold Lloyd, 162 F.2d 354 (9th Cir. 1947).....	10, 13
Universal Statuary Corporation v. Gaines, 310 F.2d 647 (5th Cir. 1962).....	7, 9, 22
Washington Publishing Co. v. Pearson, 140 F.2d 465 (D.C. Cir. 1944).....	15
Westermann Co. v. Dispatch Printing Co., 249 U.S. 100 (1919).....	6, 7, 8, 9, 22, 23, 24
Widenski v. Shapiro, Bernstein & Co., Inc., 147 F.2d 909 (1st Cir. 1945).....	15
Wihtol v. Crow, 309 F.2d 777 (8th Cir. 1962).....	7, 18, 21
Witmark (M.) & Son v. Calloway, 22 F.2d 412 (E.D. Tenn. 1927).....	18
Woolworth (F.W.) Co. v. Contemporary Arts, Inc., 344 U.S. 228 (1952).....	7, 8, 9, 13, 14, 15, 19, 21, 25

Statutes

Copyright Act.....	27
United States Code, Title 17, Section 101(b).....	6, 10, 24

Text

<i>Nimmer on Copyright</i> (1965), pp. 679, 680.....	17, 18
--	--------

No. 20368

IN THE
United States Court of Appeals
FOR THE NINTH CIRCUIT

SHAPIRO, BERNSTEIN & Co., INC.,

Appellant,

vs.

4636 S. VERMONT AVE. INC., a California
corporation, doing business as
REED'S MUSIC STORE,

Appellee.

APPELLANT'S REPLY BRIEF

THE FACTS

Defendant's* statement of the case ignores the serious nature of its infringements of plaintiff's copyrights, attempts to picture defendant as a blameless innocent, and castigates plaintiff for seeking to protect its business and valuable copyrights by the only remedy given to it, an action for infringement. Not only is the defense of innocence immaterial, but it is seriously open to question in view of the testimony of defendant's President. Even more important, defendant's statement of the case contains many substantial errors and misstatements of facts. Before proceeding to a rebuttal of defendant's legal arguments, the following errors of fact should be noted.

* Throughout this brief, as in the Opening Brief and in Appellee's Brief, Appellant will be referred to as plaintiff and Appellee as defendant, and their respective briefs as "Op. Br." and "Deft's Br.".

1. Defendant claims that the only transaction to be considered was the infringing sale made to Tempesta, and that evidence of damage and profit from other infringing sales by defendant is outside any issue. (Deft's Br., pp. 9-10). To the contrary, all sales by defendant of the books constituted one "infringement" of each of plaintiff's copyrights. *Advertisers Exchange v. Hinkley*, 199 F.2d 313 (8th Cir. 1952) cert. denied 344 U.S. 921 (1953). At the time the action was filed, plaintiff knew only of the sale to Mr. Tempesta, but evidence as to other sales and books held for sale was properly introduced to show the nature and extent of the total infringement by defendant. Infringement occurs with one sale, but, in determining the applicability of the damage and injunctive remedies for the copyright owner, the Court should and must consider the volume of infringing activity. There was no need to amend the pleadings to allege the additional sales, because the basic issues were the infringements.

2. Defendant claims that "Plaintiff offered no evidence that any of the four books other than Pltfs. Ex. 1 contained any of Plaintiff's copyrighted songs" (Deft's Br., p. 9). Defendant's President expressly testified that all four of the "#1" books sold or held by him contained each of plaintiff's songs (2 Tr. 92). Further, defendant had the fourth book in its possession and could have shown that plaintiff's songs were not included, if such had been the case. All four of the books were in fact identical in their infringing contents. There is a possibility that some or all of the other 12 fake books sold by defendant contained copies of plaintiff's songs, but this could not be established because defendant had disposed of them prior to suit (2 Tr. 79-80).

3. To support the argument that plaintiff should be penalized for bringing this action, defendant states that

plaintiff “pushed for trial, continuing to demand \$3,000” despite knowing “the amount of defendant’s profit and that their [sic] damage was not substantial” (Deft’s Br., p. 11). To the contrary, plaintiff knew that it was substantially damaged and did not know the extent of defendant’s profits from infringing sales (and also had no means of ascertaining the amount of such profits) (2 Tr. 81-84, 90-91). Defendant’s good faith in proceeding to trial is fully supported by these facts, considered in the light of the numerous authorities cited in Appellant’s Opening Brief. Therefore, the findings of the District Court quoted by defendant are clearly erroneous (Deft.’s Br., pp. 11-12).*

4. Defendant states (without record citation) that its president purchased plaintiff’s Exhibit 1 (the copy sold to Tempesta) on May 31, 1962 (Deft’s Br., p. 3). This is contrary to the president’s testimony that it was impossible for him to tell when plaintiff’s Exhibit 1 was purchased and which of the various copies were sold or to whom (2 Tr. 96-97, 125-126).

5. Defendant states that it was “innocent and totally blameless,” quoting its president’s protestations of innocence and lack of intent to infringe (Deft’s Br., pp. 6-8). Even if such evidence were material, which it is not (as shown by cases cited hereinafter), the record demonstrates the clear probability that defendant knew these books were not legitimate. That evidence is very well summarized at pages 9-12 of the brief of the Amicus Curiae, Music Publishers Protective Association.

* It should also be noted that the trial court did not refer to any alleged lack of good faith in its Memorandum Opinion (Appendix B, Deft’s Br.). That concept was introduced by defendant’s counsel in findings prepared for the trial court, in an attempt to bolster the award of \$1,500 to the defendant infringer.

In this connection, defendant (Deft's Br., p. 3, footnote 5) gratuitously and erroneously claims that the revocation of "Mel Alan's" sentence was "perhaps" the result of "Mr. Bleeker's complete cooperation with the plaintiff in this case." Bleeker not only did not cooperate with the plaintiff in this case in any way, but his refusal to recognize the consequence of defendant's illegal actions brought about the erroneous decision below.

6. Defendant now admits that there is *no* evidence that Tempesta was an agent of the plaintiff, but contends that agency is an inference which the trial court could draw from the bare, stipulated facts as to him (Deft's Br., pp. 5-6). Those bare facts have been correctly and fully stated by plaintiff (Op. Br., p. 5). There can be no inference of agency arising from them, due to the complete lack of any evidence (a) that plaintiff controlled or had the right to control his conduct with respect to the investigation of defendant's store, and (b) that there was any agreement between plaintiff and Tempesta, or prior consent or knowledge, as to his visit to defendant's store. The Court's finding of such agency is clearly erroneous for the reasons previously stated (Op. Br., pp. 27-28).

7. Defendant now claims that its repeated stipulation (1 Tr. 120; 2 Tr. 8-11) that its acts of infringement were without "the previous solicitation, procurement, knowledge, consent or authority of the plaintiff" does not mean what it says (Deft's Br., p. 6). Defendant argues that the word "previous" only means prior to the day of sale to Tempesta. To the contrary, the stipulation means exactly what it says, that is, plaintiff had no knowledge of defendant's infringing sales to others or of the infringing sale to Tempesta before the book was transmitted to plaintiff. Tempesta asked for a "fake" book, and defendant voluntarily sold him a copy of the infringing work,

as defendant did to other persons. Hence the stipulation must be given its plain meaning.

8. As a further part of its attack upon plaintiff's motives here, defendant surmises that "perhaps plaintiff's agents were unsuccessfully trying to purchase another fake book from defendant." (Deft's Br., p. 10). This is so clearly false that it should be censured by this Court.

9. Defendant states that it is "a small family corporation having three employees" (Deft's Br., p. 2), citing deposition testimony of its president. That showed only that he was president and a majority stockholder of defendant, his wife a vice president, and another man the secretary. There was absolutely no evidence anywhere as to the identity of other stockholders of defendant, the volume of its business, the amount of its capital, or other business facts.

10. Lastly, defendant states that it offered to impound the book it admitted still possessing (Deft's Br., p. 9). The only support for this is a footnote in the trial court's Memorandum Opinion, which is absolutely without support in the record. There was no pretrial or trial offer by defendant to allow an injunction to be taken or to deliver up the remaining infringing copies of the book. The entire trial transcript is before this Court, and it can be seen that such was the case.

ARGUMENT

I. AN AWARD OF STATUTORY "IN LIEU" DAMAGES IS MANDATORY WHEN THE COPYRIGHT OWNER CANNOT OR DOES NOT PROVE ACTUAL DAMAGES.

Defendant's first and primary argument is that a district court has complete, unfettered discretion to re-

fuse to render a judgment against a copyright infringer, or to make an award in any amount from one cent upward, rather than an award not less than the statutory minimum, whether as actual damages or profits or as "in lieu" damages (Deft's Br., pp 13-16). This is directly contrary to decisions of the Supreme Court, courts of appeal including this Honorable Court and numerous district courts. Such a principle would thwart the basic purpose of section 101(b) of the Copyright Act "to give the owner of a copyright some recompense for injury done him in a case where the rules of law render difficult or impossible proof of damages or discovery of profits." *Douglas v. Cunningham*, 294 U.S. 207, 209 (1935).

If the defendant's theory of complete discretion were correct, then the Supreme Court was clearly in error in *Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100 (1919) (see Op. Br., pp. 17-18). There the trial court ruled that the plaintiff copyright owner had proved actual damages, but only in a nominal amount, from an innocent, profitless infringement, and awarded \$10 per infringement. This judgment was reversed by the Supreme Court, with directions to award plaintiff minimum damages of \$250 per infringement. In language previously quoted in full (Op. Br., p. 18) the Supreme Court said a District Court "has no discretion" to give less than the minimum nor more than the maximum statutory damages when the copyright owner is unable to prove its actual damages.

Likewise, *Jewell-LaSalle Realty Company v. Buck*, 283 U.S. 202 (1931), unequivocally held that "in a case disclosing infringement of a copyright covering a musical composition, there being no proof of actual damages," the trial court is "bound by the minimum amount of \$250" (p. 203). Defendant there argued that the trial court had discretion to award only the \$10 per performance set forth in the fourth subdivision of the statute (17 U.S.C.

§ 101(b)). The court answered that “unless the number of infringing performances of a copyrighted musical composition exceeds twenty-five, the minimum allowance of \$250 *must* be made” (p. 208) (Emphasis here, as elsewhere, is supplied unless otherwise noted). *Wihtol v. Crow*, 309 F.2d 777 (8th Cir. 1962), *Chappell & Co., Inc. v. Palermo Cafe Co., Inc.*, 249 F.2d 77 (1st Cir. 1957), *Irving Berlin, Inc. v. Daigle*, 31 F.2d 832 (5th Cir. 1929), *Universal Statuary Corporation v. Gaines*, 310 F.2d 647 (5th Cir. 1962) and *Amsterdam Syndicate, Inc. v. Fuller*, 154 F.2d 342 (8th Cir. 1946) reversed trial court judgments granting the copyright owners no recovery or only nominal damages for infringements no more damaging or profitable than those here involved. If the trial court had the unfettered discretion stated by defendants, those decisions were all plainly erroneous.

Defendant relies completely for its argument upon *F. W. Woolworth Co. v. Contemporary Arts, Inc.*, 344 U.S. 228 (1952). Defendant’s reliance is misplaced, because *Woolworth* does *not* hold or state that minimum damages are to be given only when the trial court chooses to do so. *Woolworth*’s profits of \$899.16 were *more than* the \$250 minimum statutory damages, but less than the statutory maximum of \$5,000 awarded by the trial court. The only question presented to the Supreme Court was whether the trial court’s exercise of discretion within the \$250-\$5,000 minimum-maximum limitations was further circumscribed by the proof of the infringer’s profits. The judgment for *maximum* statutory damages of \$5,000 was affirmed.

The Supreme Court in *Woolworth* was not concerned in any way with the award of *minimum* damages for a copyright owner who cannot prove a greater amount of actual damages. By citation with approval of *Westermann* and *Douglas*, it affirmed their holding that an

award of minimum statutory damages is mandatory in such circumstances. The discretion or choice of the trial court discussed in *Woolworth* is that which can be exercised when both actual damages and profits are sufficiently proved in an amount above the statutory minimum. In such a situation, the trial court can choose between a computed award and a statutory award. The line between the two different types of situations is shown by the following quotation from *Westermann* in the *Woolworth* opinion:

“‘In other words, the court’s conception of what is just in the particular case, considering the nature of the copyright, the circumstances of the infringement and the like, is made the measure of the damages to be paid, but with the express qualification that in *every* case the assessment must be within the prescribed limitations, that is to say, neither more than the maximum nor less than the minimum. Within these limitations the court’s discretion and sense of justice are controlling, but it has no discretion when proceeding under this provision to go outside of them.’” (p. 232).

This is followed in the next paragraph by Mr. Justice Jackson’s own succinct statement of the rule:

“The necessary flexibility to do justice in the variety of situations which copyright cases present can be achieved only by exercise of the wide judicial discretion within limited amounts conferred by this statute.” (p. 232).

The opinion in *Woolworth* must be read and considered in the light of the discussion of the history of this statute contained in *Westermann*. *That discussion makes abundantly clear that a minimum of \$250 per infringement applies whether a computation of actual damages*

and profits is made by the trial court, or an award under the "in lieu" clause is made. That portion of the opinion is attached hereto as Appendix A.

Contrary to defendant's interpretation of *Woolworth*, the courts of appeal which have considered the matter have cited *Woolworth*, with *Westermann* and *Jewell-LaSalle*, as authority that the minimum of \$250 is mandatory where actual damages in excess of that amount are not or cannot be proved. *Markham v. A. E. Borden Co., Inc.*, 221 F.2d 586, 588 (1st Cir. 1955); *Chappell & Co., Inc. v. Palermo Cafe Co., Inc.*, *supra* at 82; *Universal Statuary Corporation v. Gaines*, *supra* at 648.

There is a fundamental fallacy at the heart of defendant's argument that the trial court here had discretion to award nothing, or something less than the minimum \$250. It is casually stated in a footnote at page 14 of its brief: "*Both profits and damages may not be recovered.*" This is clearly erroneous.

First, the decision in *Woolworth* directly held that both profits and damages are recoverable by the copyright owner, allowing that owner to recover both *Woolworth's* profits of \$899.16 and damages of more than four times that amount. It noted that "a rule of liability which merely takes away the profits from an infringement would offer little discouragement to infringers" (p. 233). The opinion always uses the conjunctive "and" between "damages" and "profits," not the disjunctive "or."

Second, the statute expressly requires recovery of both profits and damages. It says: "To pay to the copyright proprietor such damages as the copyright proprietor may have suffered due to the infringement, *as well as* all the profits which the infringer shall have made from

such infringement, . . . or in lieu of actual damages and profits. . . . ” 17 U.S.C. §101(b).

Third, the authorities cited by defendant in its casual footnote do not support it. Nimmer and Howell both state that authority is somewhat divided on this question. *Universal Pictures v. Harold Lloyd*, 162 F.2d 354 (9th Cir. 1947), decided only that both profits and damages could not be cumulated where the trial court's estimate of damages was based upon widely conflicting evidence and far exceeded the lowest estimates plus allocated profits.

Lastly, both elements must be considered and awarded to the copyright proprietor for an infringement, because there is no relationship between the copyright owner's damages and the infringer's profits, if any. A profitless infringement may be tremendously damaging, or vice versa. (See Op. Br., p. 31).

Defendant's fallacious theory of complete discretion to choose either profits or damages as the measure of recovery, without regard to the statutory minimum, was adopted by the trial court here. It ignored the broad nature of plaintiff's damages and concentrated its attention on the matter of defendant's profits, which it erroneously found to be nominal. The theory is clearly erroneous and should be rejected by this Court, as it did in *Buck v. Bilkie*, 63 F.2d 449 (9th Cir. 1933), with the same result of reversal of the judgment below.

II. THE TRIAL COURT ABUSED ITS POWERS IN REFUSING TO AWARD MINIMUM STATUTORY DAMAGES TO PLAINTIFF.

In pursuit of its erroneous primary theory of discretion, defendant next argues that “the only issue here is whether Judge Hall abused his discretion in refusing to award statutory damages.” Defendant contends that

there was no abuse of discretion because, it says, plaintiff was not damaged and the defendant's profit allegedly was \$.23 (Deft's Br., pp. 20-21). Both the principle and its application are erroneous.

As shown by more than 35 cases cited in our opening brief (pp. 17-22, 31-35) and the cases in section I above, the trial court does not have the discretion to award less than minimum damages in circumstances like those presented here of actual, but unprovable, damages.

Likewise, defendant's argument that plaintiff was not damaged is clearly erroneous. Defendant asserts that Finding No. 17 (1 Tr. 230) is supported by the record, for which it cites only certain portions of the testimony of plaintiff's witness Hoagland, as well as the court's comment during argument. Although it concedes that Mr. Hoagland testified that the plaintiff was damaged, defendant contends that the trial court rejected that testimony entirely. The finding is that there was "no evidence of any damage to the plaintiff." There *was* such evidence, as defendant admits. Further, the testimony cited by defendant is not the only testimony and evidence pertaining to the fact of damage, as set forth fully at pages 23-27 of Appellant's Opening Brief.

Defendant claims that the lack of corroborating documentary evidence of a loss of sales is significant (Deft's Br., pp. 18-20). But plaintiff showed that no documentary evidence of damages was introduced because none was available which would be admissible as against defendant. While plaintiff had sales records showing sales of the sheet music of the twelve copyrighted compositions to jobbers and wholesalers in Los Angeles, it had no records which showed in any way the amount of sales by such persons or any other persons within Los Angeles, much less in defendant's business territory, whatever that might be. Los Angeles-based jobbers and dealers sold

throughout Southern California and Arizona, and it was impossible to tie any decline in sales to them to the local area possibly served by defendant. Further, there was no way to establish a causal link between the amount of sales to them and the defendant's activities. Defendant objected to general evidence of decline of sales of these copyrighted songs (2 Tr. 18-19, 28). Hence, there is no significance to the absence of documentary evidence on decline of sales of the copyrighted songs due to defendant's infringing sales. Such evidence does not and could not exist.

In addition, the fact of damage was corroborated by the very nature of the fake books sold by defendant. Comparison by the public of the plaintiff's sheet music and authorized collection of songs (Pltf. Exs. 5, 6 & 7) with the infringing collection sold by defendant at "cut rate" would inevitably result in damage, injury and loss of value of plaintiff's songs. Price, printing and completeness of lyric and music are all elements of the value of plaintiff's songs, and the books sold by defendant degrade and devalue each such element. Also, the intangible injury to plaintiff's contractual duty to composers to protect the copyrights, and injury to its customer relationships are elements that must be considered (2 Tr. 33-35).

Defendant suggested, and the trial court adopted, a contrived argument that plaintiff was not damaged because one of the infringing books was purchased by Tempesta, allegedly as plaintiff's agent. This is fallacious on several grounds. It ignores defendant's sales of other copies of the infringing book to unknown persons, which were an integral part of the infringement (2 Tr. 81). Tempesta was not plaintiff's agent in his activities (Op. Br., pp. 27-28). Plaintiff *was* engaged in selling its copyrighted songs in the Los Angeles area in June 1962, contrary to defendant's assertion (2 Tr. 36).

As to profits, defendant's argument that its profits were only \$.23 is likewise clearly erroneous. Defendant's only witness could give the court no idea or estimate of the possible profits of the defendant on all sales of the infringing book. He did not know the sales prices of the books and had no way of ascertaining them (2 Tr. 81-84). Further, an arbitrary equal apportionment of profits for each song was not warranted. The inability of plaintiff or defendant to ascertain defendant's actual profits has been shown (Op. Br., pp. 25-31).

The quotation by defendant from *Universal Pictures, Inc. v. Lloyd* (Deft's Br., p. 22) shows on its face its inapplicability. The Court held in *Universal* that, since the District Court had determined on voluminous evidence the very large amount of damages of plaintiff and the amount of profits earned by defendant from the infringement, there was no need to use the statutory minimum. Plaintiff had there chosen proof of actual damages apparently because of the greater amount of recovery it could obtain through such evidence.

III. DEFENDANT IS IN ERROR IN ARGUING THAT AN AWARD OF STATUTORY DAMAGES IS AN "ABUSE OF DISCRETION".

Defendant cites and quotes extensively from four cases for the proposition: "Where plaintiff fails to prove real and substantial damage and defendant proves profits with certainty, an award of statutory damages is an abuse of discretion." Unfortunately for defendant, the cases upon which it attempts to rely for this proposition have been disapproved or ignored in subsequent decisions, including the Supreme Court decision in *Woolworth*.

Defendant cites *Davilla v. Brunswick, Balke, Collender Co.*, 94 F.2d 567 (2nd Cir. 1938), *Sammons v. Colonial Press, Inc.*, 126 F.2d 341 (1st Cir. 1942) and *Malsed v.*

Marshall Field & Company, 96 F.Supp. 372 (W.D. Wash. 1951). Defendant failed to state that they were all overruled *sub silentio* by the Supreme Court in *Woolworth*. At the outset of that opinion, Mr. Justice Jackson noted that certiorari had been granted on issues pertaining only to the measure of recovery by the copyright owner "as to which conflict appears among lower courts," citing the conflict between the Court of Appeals decision in the *Woolworth* case and the decisions in *Davilla*, *Sammons* and *Malsed* (p. 229). He then held in accordance with the Court of Appeals decision in *Woolworth*, affirming it and the District Court and, therefore, certainly disapproving *Davilla*, *Sammons* and *Malsed*. This is made even more evident by the citation of *Davilla* and *Sammons* in the dissenting opinion. Obviously, the Supreme Court found the defendant's decisions to be unacceptable interpretations of the copyright law.

Further, *Davilla* involved only profits *above* the \$250 minimum. The Second Circuit in subsequent cases held minimum damages to be mandatory when the copyright owner cannot prove damages, even though profits are non-existent or minimal. In *Nikanov v. Simon & Schuster, Inc.*, 246 F.2d 501 (2nd Cir. 1957), it affirmed the judgment for \$5,000, the maximum statutory amount, "despite the fact that 'Invitation to Russian' [the defendant's infringing book] was not itself a profitable publication." (p. 504) In *Burndy Engineering Co., Inc. v. Sheldon Service Corp.*, 127 F.2d 661 (2nd Cir. 1942), the court affirmed a judgment for statutory damages despite extensive evidence that defendant's profits were only a fraction of the total statutory amount. The court noted expressly that there was "no proof of the amount of the plaintiff's damages" (127 F.2d 661, 662). Indeed, in its most recent decision on this matter, the Second Circuit held that the copyright owner could recover both the infringer's net profit *and* an amount within the

statutory minimum-maximum in lieu of actual damages which it could not prove. (*Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc.*, 329 F.2d 194 (1964)).

As to *Sammons*, it likewise has been disapproved by the circuit in which it was rendered. In *Markham v. A. E. Borden Co., Inc.*, *supra*, the court held that the statutory minimum damages must be awarded to the copyright owner who produced no evidence of the amount of its damages, and there was *no profit* whatever to the infringer from the infringements. See, to the same effect, *Chappell & Co., Inc. v. Palermo Cafe Co., Inc.*, *supra*, and *Widenski v. Shapiro, Bernstein & Co., Inc.*, 147 F.2d 909 (1st Cir. 1945).

As to *Malsed*, the plaintiff there failed to prove the *fact* of damage, the court noting her testimony showed “conclusively that *she had suffered no damage*” (p. 375; emphasis by the court). Further, the court found that plaintiff had been guilty of laches and had never exploited the copyright “in a manner that would be harmed by competition and unauthorized use.” It would also appear that the author of that opinion, Judge Yankwich, changed his views subsequently by reason of the decision in *Woolworth* and decisions in other appellate courts. See *Harms, Inc. v. F. W. Woolworth Co.*, 163 F.Supp. 484, 486 (S.D.Cal. 1958).

Likewise, as to the fourth case cited by defendant, *Washingtonian Publishing Co. v. Pearson*, 140 F.2d 465 (D.C. Cir. 1944), that plaintiff utterly failed to prove it had in fact been damaged, much less any certain amount of damage. The evidence was uncontradicted that plaintiff had ceased publication of its copyrighted magazine a year before defendant’s book appeared, that plaintiff was not selling or attempting to sell its magazine, and that plaintiff had not even obtained a copyright until six months *after* defendant’s book was published.

Therefore, defendant's purported proposition stated in its Section III lacks any binding precedent.

IV. AN AWARD OF STATUTORY DAMAGES IS NOT PUNISHMENT OF THE INFRINGER.

Defendant next argues that an award of minimum damages to the plaintiff would inflict a penalty and be in the nature of punishment. But, the minimum damages of \$250 are "just" in the contemplation of the statute. *Douglas v. Cunningham*, supra, (p. 210). The Supreme Court had earlier directly disposed of the contention that the award of statutory damages could ever be considered a matter of penalty or punishment, rather than of damages:

"The idea of the punishment of the wrongdoer is not so much suggested by the language used in the statute as is a desire to provide for the recovery by the proprietor of full compensation from the wrongdoer for the damages such proprietor has sustained from the wrongful act of the latter. In the fact of the difficulty of determining the amount of such damage in all cases, the statute provides a minimum sum for a recovery in *any* case, leaving it open for a larger recovery upon proof of greater damage in those cases where such proof can be made. . . .

"Although punishment, in a certain and very limited sense, may be the result of the statute before us so far as the wrongdoer is concerned, yet we think it clear such is not its chief purpose, which is the award of damages to the party who had sustained them, and the minimum amount appears to us to have been fixed because of the inherent difficulty of always proving by satisfactory evidence

what the amount is which has been actually sustained.” *Brady v. Daly*, 175 U.S. 148, 154, 157 (1899).

Defendant cites only *Turner & Dahnken v. Crowley*, 252 Fed. 749 (9th Cir. 1918) to support its argument. As defendant’s summary shows, the award against the infringer there was above the statutory minimum and, therefore, within the discretionary limits of the “in-lieu” provision. No question of the statutory minimum was involved. Further, we suggest that *Turner & Dahnken* might be decided differently today in light of the subsequent Supreme Court decision in *Douglas v. Cunningham*, *supra*.

V. AN INFRINGER’S ALLEGED INNOCENCE IS IMMATERIAL TO THE MATTER OF AWARD OF STATUTORY DAMAGES.

At page 30 of its brief, defendant states that “defendant’s innocent intent may preclude an award of statutory damages,” for which it cites as authority a severely cropped quotation from *Nimmer on Copyright* (1965). The full text shows that Nimmer believes innocent intent is *not* a defense to an award of damages. The cases cited by him with regard to the effect of innocence upon remedy deal with situations completely different than those presented here, such as omission of the copyright notice by the plaintiff, or reliance by a defendant upon a wrongful copyright registration certificate of another.

Defendant fails to cite Nimmer for the matter directly in issue here, that is, whether or not it was mandatory for the trial court to award minimum statutory damages. On that subject, Nimmer states:

“It is submitted that the proper construction of the ‘in lieu’ clause is to render it not only permissive, but mandatory when no injury is proved. . . .

“If injury is proved but neither the amount of plaintiff’s actual damages nor defendant’s profits can be ascertained then the ‘in lieu’ measure of damages must be applied.” *Nimmer on Copyright* (1965), pp. 679, 680.*

A large number of the authorities cited in our opening brief hold that innocence is no defense to an award of statutory damages. See, for example, *Johns & Johns Printing Co. v. Paull-Pioneer Music Corp.*, 102 F.2d 282 (8th Cir. 1939); *M. Witmark & Son v. Calloway*, 22 F.2d 412, 414 (E.D. Tenn. 1927).

“. . . There remains, therefore, only the question of damages against Hearst, in view of the court’s finding that its copying was ‘innocent.’ . . .

“So far as copyrighted material is concerned, the authorities are too conclusive to allow of doubt. Indeed, the inference from the copyright law itself would seem to be most direct; for, while it makes significant distinctions in certain instances based on innocent or willful infringement, as the case may be, it does not do so in the general provision for award of profits and actual damages, or those statutory sums allowable in the court’s discretion in lieu of actual damages. 17 U.S.C.A. § 25(b); cf. *ibid.* §§ 20, 28. . . .” (*De Acosta v. Brown*, 146 F.2d 408, 410-411 (2nd Cir. 1944)).

* Mr. Nimmer was also the attorney for the copyright owner who obtained an award of \$500 minimum statutory damages for innocent, non-injurious infringement by a church choir director, in a reversal of the trial court which had refused to award any damages, although finding infringement. *Wihl v. Crow*, *supra*. Thus, Mr. Nimmer practices what he preaches.

VI. THE TRIAL COURT ERRED IN REFUSING AN INJUNCTION AND AWARDING ATTORNEYS' FEES TO THE INFRINGER.

Defendant attempts to justify the trial court's refusal of injunction against further infringement by stating that defendant established the absence of any threat of continuing or additional infringements through testimony of its president. He testified that he had at least one of the infringing books in his possession (2 Tr. 81). There was no removal of the inherent threat raised by the possession of this infringing work. Further, an injunction is particularly warranted here where the infringer has been rewarded for his activities and given a free shooting license against plaintiff's copyrights by the trial court. (See Op. Br., p. 39).

In defense of the trial court's award of attorneys' fees to it despite its infringements, defendant argues that "Plaintiff's refusal to accept the Supreme Court decision in the *Woolworth* case is sufficient grounds alone" for the award and, further, that the award would be correct even if plaintiff's claim were only "unreasonable" (Def't's Br., p. 31). Defendant's argument is erroneous.

(1) Plaintiff not only "accepted" the decision in *Woolworth* in the trial court and this court (Op. Br., pp. 19-20) but relies on it. The good faith of plaintiff in prosecuting this action is more than abundantly shown by the multitude of cases from the Supreme Court and the Courts of Appeal which fully support its position here, including *Woolworth*. Even if defendant's interpretation of *Woolworth* were correct, which it patently is not (pp. 7-9, supra), plaintiff would still be in good faith in urging the trial court to exercise discretion to grant it "in lieu" damages, which *Woolworth* held were proper and justifiable.

(2) Defendant cites *Buck v. Bilkie, supra*, in support of the award of attorneys' fees to it. This is a truly amazing citation. As plaintiff pointed out (Op. Br., p. 21), this court in *Buck* held that an award of the minimum statutory damages was *mandatory* in the absence of proof of actual damages, and reversed the trial court's decree which had refused any damages. As to attorneys' fees, all that *Buck* held was that the trial court need not award them to the copyright owner in such circumstances. This is not in issue here, because plaintiff has not specified as error the failure of the lower court to award attorney's fees to it.

(3) Defendant's citation of *Rose v. Bourne*, 176 F. Supp. 605 (S.D. N.Y. 1959), is equally erroneous. There, plaintiffs entered a voluntary dismissal of their claim and defended against a counterclaim on what the court termed "frivolous" grounds, specifically a Supreme Court decision squarely on the same facts and adverse to their position.

(4) Lastly, defendant's only precedent for awarding attorneys' fees to a defendant because a copyright owner's claim was "unreasonable" is clearly distinguishable. *Mailer v. R.K.O.*, 332 F.2d 747 (2nd Cir. 1964), involved a claim for alleged reversion of copyright to Mailer after the defendant had expended two million dollars in making a motion picture of the copyrighted material under license from Mailer. The court found that there was *no infringement*, and that Mailer's arguments for reversion were "highly technical". In the present case, of course, complete infringement was found, and plaintiff's arguments are not technical but substantive.

VII. DEFENDANT HAS NOT DISTINGUISHED PLAINTIFF'S AUTHORITIES.

In Section VII of its brief, defendant attempts to discuss and distinguish only four of the cases cited by plaintiff in its opening brief. Defendant ignores the mass of Court of Appeals and District Court decisions supporting plaintiff with the casual statement that it does not have “enough space to analyze” those cases. The Court can readily see that defendant utilized in its brief less than half of the number of allowable pages.

Defendant further justifies its refusal to discuss the mass of decisions cited by plaintiff with the statement that “most” of them were “prior to the *Woolworth* decision” (Deft’s Br., p. 31). To the contrary, many of the significant cases fully supporting plaintiff’s position here were decided subsequent to *Woolworth*, and are listed in Appendix B hereto. All the cases cited by plaintiff are simply too significant and too numerous to be swept under the rug by defendant. We are confident that this Court will give them their proper weight and controlling effect.

Defendant suggests that plaintiff’s cases involve a choice by the court, “without saying so,” to award statutory damages rather than actual damages and profits, and that minimum damages are mandatory only after “in lieu” damages are chosen as the appropriate remedy (Deft’s Br., p. 32). It is impossible to read the decisions and come to defendant’s conclusion that the courts were silently following such a thought pattern. Such a concept is directly contrary to the express statements and holdings that minimum statutory damages are mandatory when a copyright owner is unable to prove its damages. (Op. Br., pp. 20-22, 31-35.) Such a thought flies in the face of the clear fact that in cases such as *Buck v. Bilkie* in this Circuit, and *Wihitol v. Crow*, *supra*,

Chappell & Co., Inc. v. Palermo Cafe Co., Inc., supra, *Universal Statuary Corporation v. Gaines, supra*, *Irving Berlin, Inc. v. Daigle*, 31 F.2d 832 (5th Cir. 1929), and *Amsterdam Syndicate, Inc. v. Fuller*, 154 F.2d 342 (8th Cir. 1946), a decision of the trial court was reversed *for the sole reason* that it failed to award minimum statutory damages for infringements. In each of those cases the trial court had attempted to exercise a discretion like that urged by defendant here, but the Courts of Appeal, including this Court, held that such conduct was erroneous. The discretion of the trial court occurs only in the area *above* \$250 per infringement.

Defendant's basic error concerning discretion is dramatically illustrated by its attempted distinction of *Westermann v. Dispatch Printing Co., supra*. Defendant states: "*Westermann* was a case in which the trial court clearly exercised its discretion to award statutory damages. Having done so, the Supreme Court held it could not award less than \$250." (Deft's Br., p. 33.) To the contrary, the trial court in *Westermann* attempted to exercise a discretion to award actual damages only, which it held to be a nominal \$10 for each of seven infringements (233 Fed. 609, 611). The Supreme Court reversed, holding that there were seven infringements and the \$250 minimum must be applied to each of them. It was uncontested that "defendant made no profits," that defendant was entirely innocent of any intent to infringe, and that plaintiff lost no sales as a result of the infringement, suffering only an intangible injury to its "system of business" (233 Fed. 609, 613). Thus, in *Westermann*, the trial court did *not* attempt to award "in lieu" damages, but actual, nominal damages and profits (thus giving the copyright owner more than the trial court did here).

Therefore, defendant's attempt to insert new language about discretion into the Supreme Court's opinion, as suggested at page 34 of its brief, is patently unwarranted.

Defendant's five further grounds for distinguishing *Westermann* (Deft's Br., p. 33) are equally without substance:

(1) Defendant did not prove its profits with certainty (Op. Br., pp. 29-31).

(2) Defendant claims that *Westermann's* damages were "real and substantial," while plaintiff's damages here were not. *Westermann* had not lost any sales, and its damages were the intangible ones to its "system of business" and its contract relationships (249 U.S. 100 and 103-4). Those damages were, therefore, no more real and substantial or of different types than plaintiff's here — "the discouragement of and the tendency to destroy his system of business" (see Op. Br., pp. 23-28).

(3) There is no significance in the form of the complaint's prayer for relief, because plaintiff, from the pretrial conference onward, sought only minimum damages, admitting its inability to prove actual damages, as well as defendant's profits, in a greater amount than \$250 (1 Tr. 121-122; 2 Tr. 129, *et seq.*).

(4) Defendant says that Dispatch Publishing Co. agreed that statutory damages should be awarded. To the contrary, that newspaper contested the imposition of the statutory minimum of \$250 in the trial court and in the Court of Appeals and succeeded in prevailing upon the trial court to enter judgment for only \$10 actual, nominal damages. Not until it was in the Supreme Court did the newspaper concede that the imposition of "in

lieu” damages was required, but it still contested the amount thereof.

(5) Lastly, defendant repeats its erroneous claim that plaintiff’s agent “procured the infringement,” unlike *Westermann*. But defendant sold two or more infringing books to unknown persons. Tempesta was not plaintiff’s agent in making the purchase. Thus, plaintiff did not solicit or procure *any* of the infringing sales (1 Tr. 120; 2 Tr. 8-11; Op. Br., pp. 27-28).

Defendant next attempts to distinguish *Jewell-LaSalle Realty Company v. Buck*, *supra*, as holding the award of minimum statutory damages only “permissible” where the copyright owner makes no proof of actual damages (Deft’s Br. pp. 34-35). Defendant states that this Court in *Buck v. Bilkie*, *supra*, “plainly misinterpreted *Jewell-LaSalle*” as requiring award of minimum damages for an infringement. It is defendant who has misinterpreted. The first question (numbered II) certified to the Supreme Court read: “In a case disclosing infringement of a copyright covering a musical composition, there being no proof of actual damages, is the Court bound by the minimum amount of \$250. . . .” (283 U.S. 191 at 203). The Court answered “Yes” to that question, because “it was settled in *Westermann Co. v. Dispatch Printing Co.* . . . that for each publication \$250 is the minimum damages.”

Just as significantly, the next certified question was: “Is Section 25(b)Fourth of the Copyright Act [now Section 101(b)] applicable, in the discretion of the Court, to a case disclosing infringement of copyright covering a musical composition, there being no proof of actual damage?” The answer:

“This question has in part been necessarily answered by our discussion of Question II, for unless

the number of infringing performances of a copyrighted musical composition exceeds twenty-five, the minimum allowance of \$250 must be made. Where more than twenty-five infringing performances are proved, and there is no showing as to actual loss, the court must allow the statutory minimum, and may, in its sound discretion, employ the scheduled ten dollars a performance as a basis for assessing additional damages. See *Westermann v. Dispatch Printing Co.*, 249 U.S. 100, 106. Subject to this limitation, Question III is answered in the affirmative.” (p. 208)

Therefore, as clearly as it could, the Supreme Court held the minimum amount to be mandatory when the copyright owner had no proof of actual damages.

As its only authority for characterizing *Jewell-LaSalle*’s holding as “permissible,” defendant cites *Woolworth*. But the reference to *Jewell-LaSalle* in *Woolworth* was in answer to the infringer’s argument that, somehow, *Jewell-LaSalle* required limitation of a statutory award to not more than the infringer’s actual profits. *Woolworth* very rightly held that *Jewell-LaSalle* required no such result.

The defendant outlines the facts of *Douglas v. Cunningham*, *supra*, and presents a quotation from that opinion which has been so edited that it is misleading. The full text of that portion of the opinion is attached as Appendix C hereto. It should also be noted that the defendant publisher in *Douglas* was completely innocent in accepting the article from Cunningham and that evidence of its profits was apparently available.

VIII. DEFENDANT IS NOT ENTITLED TO ADDITIONAL ATTORNEYS' FEES TO COVER THE EXPENSES OF ITS BRIEF OR OTHERWISE.

As its concluding point, defendant requests that this Court award it additional attorneys' fees "to cover the expenses" of its brief. It argues that plaintiff's position is "wholly without merit and a continuation of the unreasonable attitude taken in the District Court." (Deft's Br., pp. 36-37.) For the reasons stated in the Opening Brief and this brief, it is evident that plaintiff's position is meritorious and, in view of the numerous authorities to support its position, there can be no possible justification for again penalizing plaintiff and rewarding the guilty infringer.

CONCLUSION

Defendant took a calculated risk in its business in order to capitalize on the best music "bargain" it had ever seen (2 Tr. 103). Its personnel were experienced in music and fully aware of copyrights (2 Tr. 86-87, 94-95, 123). It sold a number of the infringing books before detection, profiting thereby and irreparably damaging the value of plaintiff's business in general and these copyrights in particular. In order to protect contract relationships with its customers and the composers and to discourage such deprecations, plaintiff sought the statutory remedies given to it by Congress — minimum damages, an injunction and related relief. At trial, multiple infringements were established, but plaintiff was unable to prove its actual damages, despite proving without contradiction the fact of damage. The amount of defendant's profits could not be ascertained.

Despite these facts, the trial court refused plaintiff copyright owner any relief whatever and, instead, penalized it by awarding the infringer \$1,500. This strikes

at the foundation of the Copyright Act. From the very inception of that statute 100 years ago, the copyright owner who is unable to prove his actual damages in a greater amount has been entitled to not less than a prescribed amount (see Appendix A). The minimum statutory amount is barely sufficient to reimburse plaintiff for the costs of bringing suit for the vindication of its title, for the necessary protection of its copyrights, and for the prevention of further piracy of its property. That basic purpose and intent of the Copyright Act has been repeatedly recognized by the Supreme Court, this Court and other Courts of Appeal and District Courts. The errant decision of the District Court below should be reversed, with directions to enter judgment for plaintiff in the minimum statutory amount and an injunction.

Respectfully submitted,

O'MELVENY & MYERS
BENNET W. PRIEST
HENRY C. THUMANN

By BENNETT W. PRIEST

Attorneys for Appellant.

CERTIFICATE

I certify that, in connection with the preparation of this brief, I have examined Rules 18 and 19 of the United States Court of Appeals for the Ninth Circuit and that, in my opinion, the foregoing brief is in full compliance with those rules.

BENNETT W. PRIEST

APPENDIX A

“... An early statute required the infringer of a copyright in a dramatic composition to pay such damages ‘as to the court shall appear to be just,’ but ‘not less than’ a prescribed amount. Act August 18, 1856, c. 169, 11 Stat. 138; Act July 8, 1870, c. 230, §101, 16 Stat. 214. This statute became § 4966 of the Revised Statutes. A later statute provided that the recovery for infringing a copyright in an engraving should not be less than \$250 nor more than \$10,000, and for infringing a copyright in a photograph of an object other than a work of art should not be less than \$100 nor more than \$5,000. Act March 2, 1895, c. 194, 28 Stat. 965. In 1909, when the copyright statutes were revised, these provisions, and others without present bearing, were brought together in the ‘in lieu’ provision now under consideration. True, they were broadened so as to include other copyrights and the limitations were changed in amount, but the principle on which they proceeded — that of committing the amount of damages to be recovered to the court’s discretion and sense of justice, subject to prescribed limitations — was retained. The new provision, like one of the old, says the damages shall be such ‘as to the court shall appear to be just.’ Like both the old, it prescribes a minimum limitation and, like one, a maximum limitation.

“In *Brady v. Daly*, 175 U.S. 148, which was an action to recover for the infringement of a copyright in a dramatic composition, the first of the earlier provisions — that in § 4966, Rev. Stats. — was much considered. The trial court was of opinion that, while the damages were to be such as appeared to it to be just, it could not go below the prescribed minimum; and it made the assessment accordingly. In this court it was contended that in this view the provision was penal and the action was one to recover a penalty. But the contention was

overruled and the judgment affirmed, the court saying, pp. 154, 157:

“It is evident that in many cases it would be quite difficult to prove the exact amount of damages which the proprietor of a copyrighted dramatic composition suffered by reason of its unlawful production by another, and yet it is also evident that the statute seeks to provide a remedy for such a wrong and to grant to the proprietor the right to recover the damages which he has sustained therefrom.

“The idea of the punishment of the wrongdoer is not so much suggested by the language used in the statute as is a desire to provide for the recovery by the proprietor of full compensation from the wrongdoer for the damages such proprietor has sustained from the wrongful act of the latter. *In the face of the difficulty of determining the amount of such damages in all cases, the statute provides a minimum sum for a recovery in any case, leaving it open for a larger recovery upon proof of greater damage in those cases where such proof can be made. . .*

“Although punishment, in a certain and very limited sense, may be the result of the statute before us so far as the wrongdoer is concerned, yet we think it clear such is not its chief purpose, which is the award of damages to the party who had sustained them, and the minimum amount appears to us to have been fixed because of the inherent difficulty of always proving by satisfactory evidence what the amount is which has been actually sustained.’

“It was after the minimum limitation was thus recognized as of controlling force in the assessment of the damages that the terms of the provision then under consideration were substantially repeated in the ‘in

lieu' provision of the revised act. This hardly would have been done had it not been intended that the limitation should be as controlling there as in the earlier statute. That it was intended to be thus controlling is shown by the reports of the committees on whose recommendation the act was passed. House Report No. 2222, and Senate Report No. 1108, 60th Cong., 2d sess." (*Westermann Co. v. Dispatch Printing Company*, 249 U.S. 100 at 107-109; emphasis added.)

APPENDIX B

Cases on statutory minimum damages decided subsequent to the decision in *Woolworth v. Contemporary Arts*.

Markham v. A. E. Borden Co., Inc.,

221 F.2d 586 (1st Cir. 1955);

Chappell & Co., Inc. v. Palermo Cafe Co., Inc.

249 F.2d 77 (1957);

Nikanov v. Simon & Schuster, Inc.

246 F.2d 501 (2nd Cir. 1957);

Peter Pan Fabrics, Inc. v. Jobela Fabrics, Inc.,

329 F.2d 194 (2nd Cir. 1964);

Universal Statuary Corporation v. Gaines,

310 F.2d 647 (5th Cir. 1962);

Advertisers Exchange v. Hinkley,

199 F.2d 313 (8th Cir. 1952), *cert. denied*

344 U.S. 921 (1953 — the year after *Woolworth*);

Wihtol v. Crow,

309 F.2d 777 (8th Cir. 1962);

Amplex Mfg. Co. v. A.B.C. Plastic Fabricators, Inc.,

184 F.Supp. 285 (E.D.Pa. 1960);

Bourne, Inc. v. Romero,

23 F.R.D. 292 (E.D.La. 1959);

Dan Kasoff, Inc. v. Palmer Jewelry Mfg. Co., Inc.,

171 F.2d 603 (S.D.N.Y. 1959);

Edwin H. Morris & Company v. Burton,

201 F.Supp. 36 (E.D.La. 1961);

Edwin H. Morris & Company, Inc. v. Munn,

233 F.Supp. 71 (E.D.S.C. 1964);

Hedeman Products Corp. v. Tap-Rite Products Corp.,

228 F.Supp. 630 (D.C.N.J. 1964).

APPENDIX C

“This court has twice construed § 25 (b) in the light of its history and purpose. *Westermann Co. v. Dispatch Printing Co.*, 249 U.S. 100; *Jewell-LaSalle Realty Co. v. Buck*, 283 U.S. 202. As shown by those decisions, the purpose of the act is not doubtful. The trial judge may allow such damages as he deems to be just and may, in the case of an infringement such as is here shown, in his discretion, use as the measure of damages one dollar for each copy,—Congress declaring, however, that just damages, even for the circulation of a single copy, cannot be less than \$250, and no matter how many copies are made, cannot be more than \$5000. In the *Westermann* and *LaSalle* cases it was held that not less than \$250 could be awarded for a single publication or performance. It follows that such an award, in the contemplation of the statute, is just. The question now presented is whether it can be unjust, according to the legislative standard, to use the prescribed measure,—\$1 per copy,—up to the maximum permitted by the section. As the *Westermann* case shows, the law commits to the trier of facts, within the named limits, discretion to apply the measure furnished by the statute provided he awards no more than \$5,000. He need not award \$1 for each copy, but, if upon consideration of the circumstances he determines that he should do so, his action can not be said to be unjust. In other words, the employment of the statutory yardstick, within set limits, is committed solely to the court which hears the case, and this fact takes the matter out of the ordinary rule with respect to abuse of discretion. This construction is required by the language and the purpose of the statute. . . .” (*Douglas v. Cunningham*, 294 U.S. 207, 210 (1935))

